

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

Company No: 890369

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

30 JUNE 2008



COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 JUNE 2008

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FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 30 JUNE 2008
LEGAL AND ADMINISTRATIVE DETAILS

Name: Frankgiving Limited

Status: Incorporated Registered Charity Number: 252370
Company No: 890369
Inland Revenue Claims Number: XN23189

Registered Address: New Burlington House
1075 Finchley Road
London NW11 0PU

Charity Trustees: Mr Leslie Frankel (Chief Executive Officer)
Mrs Zisi Frankel
Mr Aaron Emmanuel Bude

Secretary: Mrs Zisi Frankel

Auditors: Cohen Arnold
New Burlington House
1075 Finchley Road
London NW11 0PU

Bankers: Barclays Bank Plc

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES

The trustees present their Report, together with the audited Financial Statements, for the year ended 30 June 2008 which comply with the Charities SORP 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

Legal and Administrative Information of the company is shown on Page 1 of the Financial Statements and forms part of this report.

ORGANISATION STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is constituted as a company limited by guarantee and as such, its governing documents are its Memorandum and Articles of Association.

The organisation is run by the trustees, each of whom holds office for life or until ceasing to hold office by virtue of Article 49 of the Memorandum of Association.

None of the trustees have any beneficial interest in the charity.

The charity's wholly-owned subsidiary undertakings, Spiritville Investments Limited and Heysarbor Investments Limited, are engaged in property investment and property trading respectively and the trustees consider their results for the year ended 30 June 2008 to be satisfactory.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and are satisfied that systems are in place to mitigate its exposure to those risks.

Appointment and Induction of New Trustees

Where there is a requirement for new trustees, these would be identified and appointed by the remaining trustees. The chair of trustees would be responsible for the induction of any new trustee, which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, and the history and philosophical approach of the charity. A new trustee would receive copies of the previous year's annual report and accounts with detailed explanation thereof.

OBJECTIVES AND ACTIVITIES

The charity is established to promote and assist charitable activities and institutions both in the United Kingdom and abroad. It has concentrated its activities in promoting charitable activities of institutions professing and teaching the principles of traditional Judaism, advancing religion in accordance with the Jewish faith and giving philanthropic aid to the Jewish needy.

ACHIEVEMENTS AND PERFORMANCE

During the year the charity has continued its philanthropic activities and has maintained its support of religious, educational and other charitable institutions both in Great Britain and abroad.

The demands on the charity's funds were more than those experienced last year with charitable donations for the year totalling £1,656,195 as against £864,211. The donations were met from current income of the charity and accumulated reserves.

The financial results of the charity and its subsidiary undertakings for the year ended 30 June 2008 are fully reflected in the attached Financial Statements together with the Notes thereon.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES
(Cont'd)

FINANCIAL REVIEW

The charity is reliant on the income from investments and the commercial activities of its subsidiary undertakings. Income from investment and commercial activities of the subsidiary undertakings have helped to boost the total incoming resources.

Reserve Policy

The trustees have set a Reserves Policy which will ensure that it is in a position to continue to sponsor substantial projects. A proportion of the reserves need to be held in readily realisable form, to cover on-going grant-making activities and contingencies arising from additional calls being made upon the charity for the support of organisations in times of need. The reserves of the charity are represented by unrestricted funds arising from past operating results. Included in reserves is a revaluation reserve of £11.6m representing the unrealised increase in value of the Charity's investments over cost. The trustees are satisfied that the present balance of distributable reserves is sufficient to support anticipated expenditure.

Investment Policy

Under the memorandum and articles of association, the charity has the power to make any investment, which the trustees see fit. The trustees regularly review the charity's position and needs in respect of the investment policy.

The trustees, having regard to the liquidity requirements of the charity and to the reserves policy have operated a policy of keeping available funds in an interest bearing deposit account

The trustees consider the return on investments, in terms of both income and capital growth, to be satisfactory.

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the charity.

PLANS FOR FUTURE PERIODS

The trustees plan to continue to make distributions in accordance with their grant making policy and to ensure that the ability to generate sufficient income is maintained to achieve that end.

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 12 and 13 to the Financial Statements.

Land and Buildings

The group's investment properties are included in the financial statements at valuation.

The trustees are of the opinion that the open market value of its properties are at least equal to the amounts stated in the financial statements.

RELATED PARTY TRANSACTIONS

The trustees are aware of the need to manage potential conflict of interest issues in connection with related party transactions. The trustees have adopted a policy that any connected trustees do not involve themselves in the decision making process where such transactions arise and decisions are made by unconnected trustees.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES
(Cont'd)

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CLOSE COMPANY

The charity is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The company's auditors, Messrs Cohen Arnold, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board of Trustees



Mrs. Zisi Frankel - Trustee

Date: 29 April 2009

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 30 JUNE 2008

We have audited the Financial Statements of Frankgiving Limited for the year ended 30 June 2008 which comprise the Statement of Financial Activities, Balance Sheet and related notes. These Financial Statements have been prepared under the historical cost convention and the Accounting Policies set out on pages 10 and 11.

This report is made solely to the charity's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The trustees' responsibilities for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is consistent with the Financial Statements.

In addition, we report to you if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the group and the charity is not disclosed.

We are not required to consider whether the statement in the Trustees' Annual Report concerning risk management covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' Annual Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the group's and the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 30 JUNE 2007

OPINION

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and of the charity at 30 June 2008 and of the incoming resources and application of resources, including the Statement of Financial Activities of the group in the year then ended; and
- the Financial Statements have been properly prepared in accordance with the Companies' Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the Financial Statements.

Cohen Arnold

COHEN ARNOLD
Chartered Accountants
& Registered Auditor

New Burlington House
1075 Finchley Road
London NW11 0PU

Our audit was completed on ²⁹ April 2009 and our opinion was expressed at that date.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2008

| | Notes | <u>2008</u> | | <u>2007</u> | |
|---|-------|---------------------------|-------------|---------------------------|-------------|
| | | <u>Unrestricted Funds</u> | | <u>Unrestricted Funds</u> | |
| | | £ | £ | £ | £ |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | 4 | | - | | 250 |
| Activities for generating funds | 5 | | 530,358 | | 776,276 |
| Investment income | 6 | | 1,355,571 | | 1,146,522 |
| | | | | | |
| Total incoming resources | | | 1,885,929 | | 1,923,048 |
| RESOURCES EXPENDED | | | | | |
| Cost of generating funds | | | | | |
| Trading costs | 7 | | 58,231 | | 68,075 |
| Investment management costs | 8 | | 588,291 | | 462,566 |
| Charitable expenditure | 9 | | 1,656,195 | | 864,211 |
| Governance costs | 10 | | 9,513 | | 9,709 |
| | | | | | |
| Total resources expended | | | (2,312,230) | | (1,404,561) |
| Net (outgoing)/incoming resources before other recognised gains and losses | | | | | |
| | | | (426,301) | | 518,487 |
| (Losses)/Gains on revaluation of Investment properties | 12 | | (471,787) | | - |
| (Losses)/Gains on revaluation of Listed investments | 13 | | (16,120) | | 6,820 |
| | | | | | |
| Net movement in funds | | | (914,208) | | 525,307 |
| Total unrestricted funds brought forward | | | 13,873,812 | | 13,348,505 |
| | | | | | |
| Total unrestricted funds carried forward | | | £12,959,604 | | £13,873,812 |

None of the charity's activities was initiated or discontinued during the financial year, nor in the previous year.

The charity has no other recognised gains or losses other than those reflected in the above Statement of Financial Activities for the financial year or the previous year.

The notes on pages 10 to 20 form part of these Financial Statements.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

| | | | <u>2008</u> | | <u>2007</u> |
|---|--------------|------------|--------------|-----------|-------------|
| FIXED ASSETS | Notes | £ | £ | £ | £ |
| Tangible Assets | 12 | 9,204,090 | | 9,675,877 | |
| Listed Investments | 13 | 4,960 | | 21,080 | |
| | | | | | |
| | | | 9,209,050 | | 9,696,957 |
| CURRENT ASSETS | | | | | |
| Stock | 14 | 1,563,395 | | 1,563,395 | |
| Debtors | 15 | 2,147,141 | | 1,739,189 | |
| Cash at Bank | | 11,308,544 | | 6,492,542 | |
| | | | | | |
| | | | 15,019,080 | | 9,795,126 |
| CREDITORS: Amounts falling due within one year | 16 | (991,526) | | (441,596) | |
| | | | | | |
| NET CURRENT ASSETS | | | 14,027,554 | | 9,353,530 |
| | | | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 23,236,604 | | 19,050,487 |
| | | | | | |
| CREDITORS : Amounts falling due after more than one year | 17 | | (10,277,000) | | (5,176,675) |
| | | | | | |
| NET ASSETS | | | £12,959,604 | | £13,873,812 |
| | | | | | |
| UNRESTRICTED FUNDS | 18 | | 12,959,604 | | 13,873,812 |
| | | | | | |
| TOTAL FUNDS | | | £12,959,604 | | £13,873,812 |

The Financial Statements were approved by the Board of Trustees on 29 April 2009 and signed on its behalf by


.....
MRS FRANKEL
TRUSTEE

The notes on pages 10 to 20 form part of these Financial Statements.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 JUNE 2008

| | Notes | £ | <u>2008</u> | £ | £ | <u>2007</u> | £ |
|---|-------|-----------|-------------|-----------|-----------|-------------|---|
| FIXED ASSETS | | | | | | | |
| Tangible Assets | 12 | | 201,450 | | | 201,450 | |
| Investments | 13 | | 11,441,960 | | | 12,450,080 | |
| | | | | | | | |
| | | | 11,643,410 | | | 12,651,530 | |
| CURRENT ASSETS | | | | | | | |
| Debtors | 15 | 1,264,018 | | 1,469,260 | | | |
| Cash at Bank and on Deposit | | 3,804,971 | | 4,004,178 | | | |
| | | | | | | | |
| | | | 5,068,989 | | 5,473,438 | | |
| CREDITORS: Amounts falling due within one year | 16 | (101,056) | | (78,513) | | | |
| | | | | | | | |
| NET CURRENT ASSETS | | | 4,967,933 | | | 5,394,925 | |
| | | | | | | | |
| NET ASSETS | | | £16,611,343 | | | £18,046,455 | |
| | | | | | | | |
| UNRESTRICTED FUNDS | | | | | | | |
| Revaluation Reserve | 18 | | 11,570,555 | | | 12,578,675 | |
| General Funds | 18 | | 5,040,788 | | | 5,467,780 | |
| | | | | | | | |
| | | | £16,611,343 | | | £18,046,455 | |

The Financial Statements were approved by the Board of Trustees on 29 April 2009 and signed on its behalf by


.....
MR L FRANKEL
TRUSTEE

The notes on pages 10 to 20 form part of these Financial Statements.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the Historical Cost Convention, except for investments which are included at market value and in accordance with applicable United Kingdom Accounting Standards and Statement of Recommended Practice (SORP 2005) for Charities and the Companies Act 1985.

1.2 INCOMING RESOURCES

All donations are recognised in the Statement of Financial Activities (SOFA) of the group when received. All other income is recognised on a receivable basis.

1.3 LIABILITY RECOGNITION

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to pay out resources.

1.4 CHARITABLE ACTIVITIES

Charitable activities are only recognised in the Financial Statements when paid. The charitable donations paid by the charity are separately filed with the Charity Commission in a document entitled "Frankgiving Limited Schedule of donations for the year ended 30 June 2008"

1.5 INVESTMENT MANAGEMENT COSTS

Investment management costs include costs relating to the investment properties on an accrual basis.

1.6 GOVERNANCE COSTS

Governance costs include costs of the preparation and audit of financial statements and cost of any legal advice to trustees on governance or constitutional matters.

1.7 FUND ACCOUNTING

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds subject to specific restricted conditions imposed by donors. There are no restricted funds as at the Balance Sheet date.

Designated funds are funds, which have been set-aside at the discretion of the trustees for specific purposes. There are no designated funds as at the Balance Sheet date.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. ACCOUNTING POLICIES (Continued)

1.8 PROPERTIES HELD FOR INVESTMENT

Investment Properties are included in the Balance Sheet at open market value in accordance with Statement of Recommended Practice (SORP 2005). The unrealised gains and losses are shown in the Statements of Financial Activities.

1.9 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and Disposals of properties are considered to take place at the date of legal completion and are included in the Financial Statements accordingly.

1.10 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Share holdings acquired in Subsidiary Undertakings are shown at market value as valued by the trustees.

1.11 GROUP FINANCIAL STATEMENTS

These Financial Statements consolidate the results of the charity and its wholly-owned subsidiaries, Spiritville Investments Limited and Heysarbor Investments Limited. A separate Statement of Financial Activities, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 (4) of the Companies Act 1985. However, the Statement of Financial Activities is separately filed with the Charity Commission.

1.12 TAXATION

The Charity is not liable to direct taxation (Income Tax) on its income as it falls within the various exemptions available to registered charities.

The Charity is not registered for valued added tax (VAT) and is therefore unable to reclaim any input tax it suffers on its purchases. Expenditure in the Financial Statements is therefore shown inclusive of VAT where appropriate.

1.13 STOCK

Stock is comprised of freehold and leasehold properties, held for trading and is included in the Financial Statements at the lower of cost and estimated net realisable value.

1.14 CASH FLOW STATEMENT

The group is exempt from the requirement to prepare a consolidated cash flow statement (in accordance with Financial Reporting Standard No. 1) on the basis of it being a 'small group' as defined by Section 247, Companies Act 1985.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the trustees consider to be appropriate to comply with Charities legislation.

3. COMMERCIAL OPERATIONS

The wholly-owned subsidiaries, Spiritville Investments Limited, a property investment company and Heysarbor Investments Limited, a property trading company are incorporated in England and Wales. All activities have been consolidated on a line by line basis in the SOFA.

Summary Profit and Loss Account

| | <u>Spiritville</u> <u>Investments</u> <u>Limited</u> £ | <u>Heysarbor</u> <u>Investments</u> <u>Limited</u> £ |
|--|---|---|
| Net sale proceeds | 77,150 | 100,000 |
| Cost of properties sold | - | - |
| | <hr/> | <hr/> |
| Surplus on sale of properties | 77,150 | 100,000 |
| | <hr/> | <hr/> |
| Gross rental income | 738,893 | 430,358 |
| Property outgoings | (164,849) | (45,843) |
| | <hr/> | <hr/> |
| Net Rental Income | 574,044 | 384,515 |
| | <hr/> | <hr/> |
| Administrative expenses | 6,663 | 5,582 |
| Donations to parent undertaking | 516,000 | 483,000 |
| | <hr/> | <hr/> |
| | 522,663 | 488,582 |
| | <hr/> | <hr/> |
| Operating profit/(loss) | 128,531 | (4,067) |
| Interest receivable | 148,207 | 146,923 |
| Interest payable and similar charges | (276,398) | (142,362) |
| | <hr/> | <hr/> |
| Profit for the financial year before tax | 340 | 494 |
| Taxation | (26) | (117) |
| | <hr/> | <hr/> |
| Retained Profit for the financial year | £314 | £377 |
| | <hr/> <hr/> | <hr/> <hr/> |

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

4. VOLUNTARY INCOME

| | <u>2008</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> | <u>2007</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> |
|-----------|--|--|
| Donations | £- | £250 |
| | <hr/> | <hr/> |

5. ACTIVITIES FOR GENERATING FUNDS

| | <u>2008</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> | <u>2007</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> |
|---|--|--|
| <u>Commercial Trading Operations</u> | | |
| Net sale proceeds of property | 100,000 | 362,677 |
| Rents and charges receivable | 430,358 | 413,599 |
| | <hr/> | <hr/> |
| | £530,358 | £776,276 |
| | <hr/> | <hr/> |

6. INVESTMENT INCOME

| | <u>2008</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> | <u>2007</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> |
|------------------------------|--|--|
| Rents and Charges Receivable | 754,981 | 728,742 |
| Lease Extensions | 77,150 | - |
| Bank Interest Receivable | 407,076 | 273,564 |
| Loan Interest Receivable | 116,350 | 144,216 |
| Other Interest | 14 | - |
| | <hr/> | <hr/> |
| | £1,355,571 | £1,146,522 |
| | <hr/> | <hr/> |

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

7. TRADING COSTS

| | <u>2008</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> | <u>2007</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> |
|---|--|--|
| <u>Commercial Trading Operations</u> | | |
| Cost of property sold | - | 2,554 |
| Property outgoings | 45,843 | 46,501 |
| Administrative expenses | 12,245 | 18,238 |
| Taxation | 143 | 782 |
| | <hr/> | <hr/> |
| | £58,231 | £68,075 |
| | <hr/> | <hr/> |

8. INVESTMENT MANAGEMENT COSTS

| | <u>2008</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> | <u>2007</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> |
|--------------------|--|--|
| Property outgoings | 169,531 | 122,738 |
| Interest payable | 418,760 | 339,828 |
| | <hr/> | <hr/> |
| | £588,291 | £462,566 |
| | <hr/> | <hr/> |

9. CHARITABLE EXPENDITURE

| | <u>2008</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> | <u>2007</u> <u>Group</u> <u>Unrestricted Funds</u> <u>£</u> |
|-------------------------------------|--|--|
| Charitable donations (see note 1.4) | £1,656,195 | £864,211 |
| | <hr/> | <hr/> |

The charitable donations have been detailed in a separate publication entitled – “Frankgiving Limited – Schedule of Donations”. Copies of this schedule are available to the public by writing to the Trustee, Mr L Frankel, Frankgiving Limited, New Burlington House, 1075 Finchley Road, London NW11 0PU by Registered Post.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

10. GOVERNANCE COSTS

| | <u>2008</u> | <u>2007</u> |
|------------------------|----------------------------------|----------------------------------|
| | <u>Group</u> | <u>Group</u> |
| | <u>Unrestricted Funds</u> | <u>Unrestricted Funds</u> |
| | £ | £ |
| Auditors' Remuneration | 9,400 | 8,930 |
| Bank Charges | 113 | 502 |
| General Expenses | - | 277 |
| | <hr/> | <hr/> |
| | £9,513 | £9,709 |
| | <hr/> | <hr/> |

The trustees of the charity received no remuneration during the year nor in the preceding year.

11. NET MOVEMENT OF FUNDS

The Net Movement of Funds of the charity company for the year was £(1,435,112) (2007: £529,358) and has been dealt with in the Statement of Financial Activities of the charity company.

12. TANGIBLE FIXED ASSETS

GROUP

| <u>At Valuation</u> | <u>Freehold Properties</u> |
|------------------------------|-----------------------------------|
| | £ |
| At 1 July 2007 | 9,675,877 |
| Revaluation | (471,787) |
| | <hr/> |
| At 30 June 2008 | £9,204,090 |
| | <hr/> |
| <u>Net Book Value</u> | |
| At 30 June 2008 | £9,204,090 |
| | <hr/> |
| At 30 June 2007 | £9,675,877 |
| | <hr/> |

The historical cost of investment properties at 30 June 2008 is £3,072,645 (2007: £3,072,645). The trustees have valued the properties as at 30 June 2008 in the amount of £9,204,090 on the basis of open market value.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

12. TANGIBLE FIXED ASSETS (Cont.)

CHARITY

| | <u>Freehold/ Long Leasehold Properties</u> £ |
|-----------------|--|
| At 1 July 2007 | 201,450 |
| Revaluation | - |
| | <hr/> |
| At 30 June 2008 | £201,450 |
| | <hr/> <hr/> |

The historical cost of investment properties at 30 June 2008 is £27,803 (2007: £27,803). The trustees have valued the properties as at 30 June 2008 in the amount of £201,450.

No provision has been made for any latent liability to Corporation Tax on unrealised surpluses on revaluation of properties as it is anticipated that all realised surpluses would be applied for the benefit of this charity's charitable purposes and that no tax liability would arise.

13. INVESTMENTS HELD AS FIXED ASSETS

GROUP

| | <u>Listed Investments</u> £ |
|---------------------------------|---|
| At 1 July 2007 | 21,080 |
| Revaluation | (16,120) |
| | <hr/> |
| Market Value at 30 June 2008 | £4,960 |
| | <hr/> <hr/> |
| Historical Cost at 30 June 2008 | £44,950 |
| | <hr/> <hr/> |

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

13. INVESTMENTS HELD AS FIXED ASSETS (Cont.)

CHARITY

| | Investment in Subsidiary Undertakings £ | Listed Investments £ | Total £ |
|---------------------------------|--|----------------------------|-------------|
| Market Value at 1 July 2007 | 12,429,000 | 21,080 | 12,450,080 |
| Revaluation | (992,000) | (16,120) | (1,008,120) |
| | <hr/> | <hr/> | <hr/> |
| Market Value at 30 June 2008 | £11,437,000 | £4,960 | £11,441,960 |
| | <hr/> | <hr/> | <hr/> |
| Historical Cost at 30 June 2008 | £102 | £44,950 | £45,052 |
| | <hr/> | <hr/> | <hr/> |

Subsidiaries

The charity holds the whole of the issued share capital in Spiritville Investments Limited and Heysarbor Investments Limited, companies incorporated in Great Britain and registered in England.

The market value at 30 June 2008 of investment in Subsidiary Undertakings is based on the underlying value of assets less liabilities of the Subsidiary Undertakings. The valuation of the Subsidiaries have been made by the trustees of this charity, based upon the latest Financial Statements of Spiritville Investments Limited and Heysarbor Investments Limited for the year ended 30 June 2008.

No provision has been made for any latent liability to Corporation Tax on unrealised surpluses on revaluation of investment in subsidiaries as it is anticipated that all realised surpluses would be applied for the benefit of this charity's charitable purposes and that no tax liability would arise.

The aggregate amounts of assets, liabilities and funds of the Subsidiary Companies are as follows:

| | Fixed Assets £ | Current Assets £ | Current Liabilities £ | Long Term Liabilities £ | Net Assets £ | Aggregate Capital and Reserves £ |
|-----------------------------|----------------------|------------------------|-----------------------------|-------------------------------|--------------------|--|
| Spiritville Investments Ltd | 3,044,842 | 5,473,763 | (850,133) | (6,329,000) | 1,339,472 | 1,339,472 |
| Heysarbor Investments Ltd | - | 6,527,694 | (2,091,703) | (3,948,000) | 487,991 | 487,991 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

14. STOCK

| | <u>2008</u> | | <u>2007</u> | |
|--------|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Stocks | £1,563,395 | £ - | £1,563,395 | £ - |

Stock is comprised of properties held for trading purposes and are stated at the lower of cost and net realisable value.

15. DEBTORS

| | <u>2008</u> | | <u>2007</u> | |
|-------------------------------|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Trade debtors | 392,642 | - | 165,867 | - |
| Loan debtors | 1,434,791 | 235,000 | 1,434,791 | 235,000 |
| Other debtors and prepayments | 319,708 | 1,029,018 | 138,531 | 1,234,260 |
| | <u>£2,147,141</u> | <u>£1,264,018</u> | <u>£1,739,189</u> | <u>£1,469,260</u> |

Loan debtors in respect of the group include £1,419,791 (2007: £1,419,791) and loan debtors in respect of the charity include £220,000 (2007: £220,000) due from companies, certain directors of which are also directors of companies within this group. The amounts due bear interest at rates geared to Bankers Base Rate and are effectively repayable on demand.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>2008</u> | | <u>2007</u> | |
|--------------------------------------|--------------------|----------------------|--------------------|----------------------|
| | Group £ | Charity £ | Group £ | Charity £ |
| Bank loans and overdraft | 191,656 | 68,656 | 188,693 | 54,168 |
| Amount due to subsidiary undertaking | - | 2,498 | - | 2,498 |
| Loan creditors | 315,000 | - | - | - |
| Other taxes | - | - | 16,205 | - |
| Other creditors | 484,870 | 29,902 | 236,698 | 21,847 |
| | <u>£991,526</u> | <u>£101,056</u> | <u>£441,596</u> | <u>£78,513</u> |

Loan creditors in respect of the group include £315,000 (2007: £Nil) due to companies, certain directors of which are also directors of companies within this group. The loans are repayable on demand.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | <u>2007</u> | | <u>2007</u> |
|---------------------------|-------------|--------------|--------------|
| | Group £ | Charity £ | Group £ |
| | | | Charity £ |
| Bank loans and overdrafts | £10,277,000 | £ - | £5,176,675 |
| | <u>£ -</u> | <u>£ -</u> | <u>£ -</u> |

The bank loans and overdrafts are secured on certain of the group's trading and investment properties shown in Notes 12 and 14 with a book value of £9,509,338 (2007: £10,749,338)

18. UNRESTRICTED FUNDS

GROUP

| | General Funds £ | Revaluation Funds £ | Non-Charitable Funds £ | Total £ |
|--------------------------------|-----------------------|---------------------------|------------------------------|--------------------|
| Balance at 1 July 2007 | 5,467,780 | 6,579,362 | 1,826,670 | 13,873,812 |
| Movement in funds for the year | (426,992) | (487,907) | 691 | (914,208) |
| | <u>£5,040,788</u> | <u>£6,091,455</u> | <u>£1,827,361</u> | <u>£12,959,604</u> |

CHARITY

| | Revaluation Funds £ | General Funds £ | Total £ |
|--------------------------------|---------------------------|-----------------------|--------------------|
| Balance at 1 July 2007 | 12,578,675 | 5,467,780 | 18,046,455 |
| Movement in funds for the year | (1,008,120) | (426,992) | (1,435,112) |
| | <u>£11,570,555</u> | <u>£5,040,788</u> | <u>£16,611,343</u> |

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

19. RELATED PARTY TRANSACTIONS

Loan interest receivable include amounts received from connected parties and companies under common control of the trustees of this charity as follows:

| | |
|---------------------------|--------|
| | £ |
| Bitochon Limited | 96,000 |
| Lesbridge Estates Limited | 20,350 |

Details of transactions with other related parties are disclosed in note 15 and 16.

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

MANAGEMENT INFORMATION
FOR THE
YEAR ENDED 30 JUNE 2008

**The following pages do not form part of the Statutory Financial Statements,
which are the subject of the auditors' report on page 5 and 6.**

FRANKGIVING LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2008

| | <u>2008</u> | | <u>2007</u> | |
|---|----------------------------------|-----------------|----------------------------------|-----------------|
| | <u>Unrestricted Funds</u> | | <u>Unrestricted Funds</u> | |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| INCOMING RESOURCES | | | | |
| Incoming resources from generated funds | | | | |
| Voluntary income | | 999,000 | | 1,214,250 |
| Investment income | | 244,398 | | 184,509 |
| | | <hr/> | | <hr/> |
| Total incoming resources | | 1,243,398 | | 1,398,759 |
| RESOURCES EXPENDED | | | | |
| Charitable expenditure | 1,656,195 | | 864,211 | |
| Investment management costs | 4,682 | | 6,301 | |
| Governance costs | 9,513 | | 9,709 | |
| | <hr/> | | <hr/> | |
| Total resources expended | | (1,670,390) | | (880,221) |
| | | <hr/> | | <hr/> |
| Net (outgoing)/incoming resources before other recognised gains and losses | | (426,992) | | 518,538 |
| Gains/(Losses) on revaluation of: | | | | |
| Listed investments | | (16,120) | | 6,820 |
| Unlisted investments | | (992,000) | | 4,000 |
| | | <hr/> | | <hr/> |
| Net movement in funds | | (1,435,112) | | 529,358 |
| Total unrestricted funds brought forward | | 18,046,455 | | 17,517,097 |
| | | <hr/> | | <hr/> |
| Total unrestricted funds carried forward | | £16,611,343 | | £18,046,455 |
| | | <hr/> | | <hr/> |